

**Brownstein | Hyatt
Farber | Schreck**

*A Strategic
California Merger
with Hatch & Parent*

January 23, 2009

ELECTRONIC AND U.S. MAIL

Mayor Blum and Members of the City Council
City of Santa Barbara
P.O. Box 1990
Santa Barbara, CA 93102-1990

Steven A. Amerikaner
805.882.1407 tel
805.965.4333 fax
SAmerikaner@bhfs.com

RE: REVISED REQUEST

Measure E Allocation Request for Auto Dealership Expansion and Remodel
Santa Barbara Auto Gallery, 352 Hitchcock Way, Case No. MST2009-00002

Dear Mayor Blum and Members of the City Council:

Our office represents Santa Barbara Airport Auto Center, LLC (SBAAC), applicant for expansion and remodeling of an existing auto dealership property located at 352 Hitchcock Way. The applicant proposes to extensively remodel and add a small amount of square footage to the existing building at that location, resulting in a modern facility which will sell several popular lines of automobiles. This applicant has leased approximately one-half of the former Mel Clayton Ford site; the other half has been leased to an operator who is planning to open a Lexus dealership.

This project would result in the relocation and expansion of the existing Chrysler Jeep Dodge dealership currently located at 6290 Hollister Avenue, on property leased from the Santa Barbara Airport. The move is necessitated by the FAA requirement that the City expand the Runway Protection Zone by tearing down the building where the dealership is currently located by June 30, 2011. As a result, SBAAC must either relocate within the City or move the dealership outside the City.

The purpose of this letter is to request an allocation of commercial square footage under Measure E as an "Economic Development Project." **This letter is a revised version of the letter delivered to you on December 30, 2008, and includes some additional and revised information requested by city staff.**

The Project Qualifies for a Measure E Allocation as an Economic Development Project

Measure E defines an Economic Development Project as one which "will enhance the standard of living for City and South Coast residents and will strengthen the local or regional economy by either creating new permanent employment opportunities or enhancing the City's revenue base." An Economic Development Project should also accomplish one of three goals specified in the Zoning Ordinance (see SBMC 28.87.300, B, 3).

The proposed project meets both of these standards. The Santa Barbara Auto Gallery will employ 35-40 people and will provide a source of sales tax revenue to the City. SBAAC anticipates a 20 percent increase in overall business at the Hitchcock Way location compared to the current location as a result of the proximity of the new facility to a number of existing dealerships. This increase is a function of the fact that the existing Hollister Avenue location is isolated from other auto dealerships.

In addition, the project will "support diversity and balance in the local or regional economy" by expanding the number of auto dealerships and the consumer's choice of automobile brands. The project will add two new brands, Subaru and Hyundai, which are not currently offered in the Santa Barbara market. Significantly, it will ensure that this property, which has been used for automobile sales and service for over twenty years, will continue to be so used rather than remaining in its current vacant state.

Measure E Allocation Request

The existing auto sales and service facility on the property consists of 1947 sf of office and other space considered by the City staff to be "Floor Area," plus a number of covered service bays that are enclosed on three sides. The new building will have 9357 sf (gross) of Floor Area, plus service bays. The project will use 1992 sf from the property's available "Small Addition" allocation; the remaining 1008 sf will be used by the Lexus dealership.

Thus, the project requires an allocation of 5418 sf from the Economic Development Project category.

Project Details

The existing 1947 sf commercial space will be demolished or incorporated into the enlarged building which will have 9357 sf (gross) of Floor Area. Nearly all of this square footage already exists in the form of service bays, and the resulting facility will occupy the existing footprint plus a small additional area. The enlarged building will be one story, with space for auto display, sales and administrative offices, a service customer waiting lounge, conference and training rooms, and related facilities. A number of the existing service bays will be converted to a Parts Center, and the remaining 18 service bays will be upgraded and modernized. Customer parking will be provided between the main building and Hitchcock Way, and parking for employees and vehicles being serviced will be provided behind the main building and out of sight of the street.

The project will be scheduled for review by ABR during January and February 2009, and a Development Plan for the project will be reviewed by the Planning Commission in the early part of 2009.

Conclusion

We believe this project will be beneficial to the City by "capturing" sales tax that is presently generated in other South Coast communities by the sales of these popular brands. In addition, the project will upgrade and modernize an existing auto sales and service facility that operated on the site for many years, thus enhancing the neighborhood and drawing a larger number of customers to the adjoining dealerships.

We look forward to working with the City toward successful completion of this project.

Sincerely,



for Steven A. Amerikaner

SAA/pzs

cc: Jim Armstrong, City Administrator
Paul Casey, Community Development Director
Peter D. Lawson, Community Development Department
April Palencia, Peikert Group Architects
Ward Ritter
Jim Crook
Patsy Stadelman